

Notification template for Article 131 CRD – Global Systemically Important Institutions (G-SIIs)

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB;
- notifications@eba.europa.eu when notifying the EBA.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

| 1. Notifying national authority | |
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| 1.1 Name of the notifying authority | Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) |
| 2. Description of the measure | |
| 2.1 Concerned institution(s) | On which institution(s) is the measure applied (name and LEI code)? Deutsche Bank AG – 7LTWFZYICNSX8D621K86 |
| 2.2 Level of the buffer applied | What is the level of the buffer (in %) applied to the institution(s)? 1.5% |
| 2.3 Names of subsidiaries | If any of the concerned institutions is a parent institution, please name the subsidiaries of the institution notified as O-SIIs (please give name and LEI code). Deutsche Bank Luxembourg S.A. – 529900FIAMEJDQ8C9097 DEUTSCHE BANK POLSKA S.A – 529900CFOWM2V62I4634 |
| 3. Timing of the measure | |
| 3.1 Timing of the Decision | What is the date of the official decision? <u>For SSM countries when notifying the ECB:</u> provide the date when the decision referred to in Article 5 of the SSMR shall be taken. 1 st December 2020 |
| 3.2 Timing of the Publication | What is the date of publication of the notified measure? dto. |
| 3.3 Disclosure | Information about the communication strategy of the notified measure to the market. dto. |

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| 3.4 Timing of Application | <p>What is the intended date of activation (i.e. as of which date shall the measure be applicable)?</p> <p>1st January 2022</p> |
| 3.5 Phasing in | <p>What is the intended timeline for the phase-in of the measure?</p> <p>According to section 64r para 7 of the German Banking Act (Kreditwesengesetz - KWG) the capital buffer is fully phased-in.</p> |
| 4. Reason for activation of the G-SII buffer | |
| 4.1 Indicators used for designation of the G-SII (Article 131.2) | <p>Please provide information on the following categories of indicators:</p> <ul style="list-style-type: none"> a. size of the group; b. interconnectedness of the group, with the rest of the financial system; c. substitutability of the services or the financial infrastructure provided by the group; d. complexity of the group; e. cross border activity of the group, including cross border activity between Member States and between a Member State and third countries <p>Please provide relevant information in a separate Excel file. If available, the information set that was sent to the BIS can be used.</p> <p>→ See attached pdf file</p> |
| 4.2 Scores and buckets (Article 131.2 and 131.9) | <p>Please provide information on:</p> <ul style="list-style-type: none"> a. which overall score and bucket is attributed to each G-SII b. which score is attributed to each category c. what qualitative supervisory judgement has been taken into account? <p>Please provide relevant information in a separate Excel file. If available, the information set that was sent to the BIS can be used.</p> <p>Final score 264 bp → bucket 2 (1.5%) for further information please see attached pdf File.</p> |
| 5. Cross-border and cross-sector impact of the measure | |
| 5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2) | <p>Assessment of the cross-border effects of the implementation of the measure.</p> <ul style="list-style-type: none"> a. Assessment of the spillover channels operating via risk adjustment and regulatory arbitrage. The relevant indicators provided in Chapter 11 of the ESRB Handbook on Operationalising Macro-prudential Policy in the Banking Sector¹ can be used. b. Assessment of: <ul style="list-style-type: none"> ○ cross-border effects (leakages and regulatory arbitrage) of the implementation of measure in your jurisdiction (inward spillovers); and ○ cross-border effects on other Member States and on the Single Market of measure (outward spillovers). <p>→ Not applicable (see 6.1)</p> |

¹ Available on the ESRB's website at www.esrb.europa.eu.

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| 5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State | Referring to your country's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction (i.e., circumvention of the measure/leakages to other parts of the financial sector)? → Leakages or regulatory arbitrages are not expected. |
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| 6. Combinations and timing of the G-SII notified | |
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| 6.1 combinations between G-SII and O-SII buffers (Article 131.14) | In case both G-SII and O-SII buffers applied to the same institution at the consolidated level, which of the two buffers is the highest? → Deutsche Bank has also to maintain an O-SII buffer of 2.0% in 2021. |
| 6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5) | Are any of the institutions subject to a systemic risk buffer? If yes, please provide the following information: <ul style="list-style-type: none"> a. What is the level of the systemic risk buffer (in %) applied to the concerned institution b. Is the systemic risk buffer applied to all exposures located in your Member State only? c. Is the systemic risk buffer applied at the same consolidation level as the G-SII buffer? → The systemic risk buffer has not been activated in Germany. |
| 6.3 Interaction with other measures | How does the buffer requirement interact with other measures addressing the same risk (e.g. with other supervisory measures)? According to section 20 German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz - SAG) – G-SIIs are institutions posing a potential systemic risk (PSI). In order to ensure the stability of the financial system and to protect the wider economy, institutions identified as PSIs have to fulfil additional and/or stricter supervisory requirements in the following areas: <ul style="list-style-type: none"> ▪ Recovery planning (sections 19 and 20 of the SAG) ▪ Restrictions relating to other positions held by management board members (section 25c para 2 sentence 2 of the KWG) ▪ Restrictions relating to other positions held by members of the administrative and supervisory bodies (section 25d para3 of the KWG) ▪ Specific requirements for remuneration systems (section 18 et seq. of the German Ordinance on the Supervisory Requirements for Institutions' Remuneration Systems (Institutsvergütungsverordnung – InstitutsVergV)) ▪ Increased reporting frequency with respect to risk-bearing capacity information (section 12 of the German Ordinance on the Submission of Financial and Risk-Bearing Capacity Information under the German Banking Act (Verordnung zur Einreichung von Finanz- und Risikotragfähigkeitsinformationen nach dem Kreditwesengesetz – FinaRisikoV)) ▪ Obligatory establishment of an internal audit committee (section 25d para 3 sentence 8 KWG. section 25d para 9 KWG) In addition, further requirements apply to PSIs that are also G-SIIs: |

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| | Requirements on data management, data quality and data aggregation capabilities (AT 4.3.4 MaRisk), which is the national transposition of “Risk data aggregation capabilities and risk reporting practices - Principles for effective risk data aggregation and risk reporting” (BCBS 239). |
| 7. Miscellaneous | |
| 7.1 Contact person(s) at notifying authority | Contact person(s) for further inquiries (name, phone number and e-mail address) GSII-OSII@bafin.de |
| 7.2 Any other relevant information | |